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8 UNITED STATES DISTRICT COURT

9 NORTHERN DISTRICT OF CALIFORNIA – SAN JOSE DIVISION

10

CASE NO.

11

**ROBERT RYAN,**

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Plaintiff,

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v.

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Experian Information Solutions, Inc.;  
Equifax, Inc.; TransUnion, LLC; Armed  
Forces Bank, Ad Astra Recovery, First  
Premier Bank, Springleaf Financial  
Services, WebBank, and DOES 1 through  
100 inclusive,

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Defendants.

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COMPLAINT FOR DAMAGES:

1. Violation of Fair Credit Reporting Act;
2. Violation of California Consumer Credit Reporting Agencies Act;

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COMES NOW Plaintiff **ROBERT RYAN**, an individual, based on information and belief, to  
allege as follows:

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**INTRODUCTION**

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1. This case arises under the Fair Credit Reporting Act, 15 U.S.C. § 1681s-2(b) and the  
California Consumer Credit Reporting Agencies Act, California Civil Code  
§1785.25(a). Plaintiff seeks redress for the unlawful and deceptive practices committed

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- 1 by the Defendants in connection with their inaccurate, misleading, or incomplete  
2 reporting of Plaintiff's debt included in Plaintiff's Chapter 13 bankruptcy.
- 3 2. This case involves several accounts that have not been updated to reflect that the  
4 accounts are included in Plaintiff's Chapter 13 bankruptcy filing.
- 5 3. The United States Congress has found the banking system is dependent upon fair and  
6 accurate credit reporting. Inaccurate credit reports directly impair the efficiency of the  
7 banking system, and unfair credit reporting methods undermine the public confidence,  
8 which is essential to the continued functioning of the banking system.
- 9 4. There exists today in the United States a pervasive and fundamental misunderstanding  
10 about the long term impact filing a consumer bankruptcy has on a consumer's credit  
11 worthiness. Specifically, many consumers believe that because a bankruptcy can be  
12 reported on their credit report for ten years their credit worthiness will be ruined for the  
13 same length of time. This is not true.
- 14 5. The *majority* of consumer Debtors who file consumer bankruptcy do so to *raise* their  
15 FICO Score and remedy their poor credit worthiness.
- 16 6. It is entirely possible for consumer Debtors to have over a 700 FICO Score within as  
17 little as 12 months after filing a consumer bankruptcy (Chapter 7 or Chapter 13).
- 18 7. Creditors and lending institutions are aware of the misconception that filing a consumer  
19 bankruptcy destroys a consumer's credit worthiness for ten years.
- 20 8. In an effort to perpetuate the aforementioned bankruptcy myth, creditors intentionally  
21 and routinely ignore credit reporting industry standards for accurately reporting  
22 bankruptcies and debts included in those bankruptcies in an effort to keep consumers'  
23 credit scores low and their interest rates high.
- 24 9. Creditors know that by deviating from recognized credit reporting standards consumers  
25 will have difficulty raising their credit scores and improving their credit worthiness.
- 26 10. These credit reporting issues are most prevalent in Chapter 13 bankruptcy filings.
- 27 11. Consequently, in the United States today it is objectively worse for consumers' credit  
28 worthiness to file Chapter 13 and pay back some or all of their debt, as opposed to  
filing Chapter 7 liquidation where Creditors generally receive nothing.
12. This was not the intent of Congress when enacting the Fair Credit Reporting Act and  
the Bankruptcy Abuse Prevention and Consumer Protection Act.

## **JURISDICTION & VENUE**

13. Plaintiff re-alleges and incorporates herein by this reference the allegations in each and every paragraph above, fully set forth herein.
  14. This Court has jurisdiction under 28 U.S.C. §§ 1331, 1337, and 1367, and 15 U.S.C. § 1681
  15. This venue is proper pursuant to 28 U.S.C. §1391(b)(1).

## **GENERAL ALLEGATIONS**

16. Plaintiff alleges that each and every defendant data furnisher was included in Plaintiff's Chapter 13 bankruptcy filing.
  17. Plaintiff alleges that each and every Defendant is familiar with credit reporting industry standards and subscribes thereto.
  18. Plaintiff alleges that each and every Defendant understands that deviation from credit reporting industry standards can and often does result in denial of credit, higher interest rates, and prompts those making credit decisions to draw a more negative inference from the reported data than if the Defendant reported in accordance with the recognized industry standard.
  19. Plaintiff alleges that all actions alleged herein by Defendants were done knowingly, intentionally, and in reckless disregard for credit reporting industry standards in an attempt to purposefully undermine Plaintiff's ability to reorganize and repair Plaintiff's FICO Score.
  20. In the alternative Plaintiff alleges that each and every Defendant's actions was the result of reckless policies and procedures that inevitably led to inaccurate, misleading, or incomplete credit reporting.

FICO, Inc.

21. FICO is a leading analytics software company with its principal headquarters located in San Jose California. FICO has over 130 patents related to their analytics and decision management technology, and regularly uses mathematical algorithms to predict consumer behavior including credit risk.

- 1       22. The FICO Score has become the standard measure of consumer credit risk in the United
- 2           States and is used in ninety percent of lending decisions.
- 3       23. A FICO score consists of a three-digit number summarizing a consumer's credit risk or
- 4           likelihood to repay a loan. FICO periodically updates its scoring models resulting in
- 5           multiple FICO Score versions.
- 6       24. Base FICO Scores range from 300 to 850, while industry-specific FICO Scores range
- 7           from 250-900. A higher FICO Score demonstrates lower credit risk or less likelihood of
- 8           default.
- 9       25. Different lenders use different versions of FICO Scores when evaluating a consumer's
- 10           credit worthiness.
- 11       26. There are 28 FICO Scores that are commonly used by lenders.
- 12       27. A consumer's FICO Score is calculated based solely on information in consumer credit
- 13           reports maintained at credit reporting agencies (CRAs).
- 14       28. The three largest CRAs are Experian Information Solutions, Inc.; Equifax, Inc. and
- 15           Transunion, LLC.
- 16       29. FICO does not control what information is provided on a consumer's credit report.
- 17           Instead, the scoring models or algorithms are based on the premise that information
- 18           provided by the CRAs is accurate and complies with credit reporting industry
- 19           standards.
- 20       30. There are five key factors that a FICO Score considers: 1) Payment History 2) Amount
- 21           of Debt 3) Length of Credit History 4) New Credit and 5) Credit Mix.
- 22       31. Each of the five factors is weighted differently by FICO.
- 23       32. 35% of a consumer's FICO Score relates to payment history, 30% relates to the amount
- 24           of debt, 15% relates to the length of credit history, 10% relates to new credit, and the
- 25           last 10% relates to a consumer's credit mix or the different types of debts reported.
- 26       33. Payment history refers to whether a consumer has paid their bills in the past, on time,
- 27           late or missed payments. The more severe, recent, and frequent the late payment
- 28           information, the greater the impact on a FICO Score. Public record items such as
- bankruptcy, foreclosure, judgments, and wage garnishments are also considered part of
- a consumer's payment history.

34. In factoring the severity of delinquent payments a FICO Score considers how late the payment continues to be, how much is owed, how recently this occurred, and how many delinquent accounts exist.

35. Once a delinquent account has been remedied the longer the account stays current the more a consumer's FICO Score should increase.

36. FICO Scores are entirely dependent upon information provided by data furnishers (DFs) to CRAs.

37. The FICO scoring formula treats both Chapter 7 and Chapter 13 Bankruptcies similarly in terms of their impact on one's FICO Score. Specifically, both Chapters have the same level of severity with respect to their FICO Score and for both, FICO uses the **FILING DATE** to determine how long ago the bankruptcy took place.

## Metro 2

38. The Consumer Data Industry Association is an international trade association representing the consumer credit, mortgage reporting, employment and tenant screening and collection service industries.

39. The credit reporting industry has adopted a standard electronic data reporting format called the Metro 2 format. The Metro 2 format was developed by the CDIA in an effort to universally report debts in a particular manner that is understood to be the most accurate way in which to report a debt. Specifically, Metro 2 format was designed to allow reporting of the most accurate and complete information on consumer's credit history.

40. The CDIA's Metro 2 format is the credit reporting industry standard for accurate credit reporting.

41. The credit reporting industry at large depends upon Metro 2 and the CDIA's recommendations for reporting debt accurately.

42. The CDIA is *The* expert on accurate credit reporting. In support of this allegation Plaintiff avers the following:

- a. The CDIA offers a FCRA certificate program for all CRAs.
  - b. The CDIA offers a FCRA awareness program for all CRAs.
  - c. The CDIA offers a FCRA Certificate program for DFs.
  - d. The CDIA offers a FCRA awareness program for DFs.

- 1       e. The CDIA offers a Metro 2 Learning system to provide detailed instructions on  
2                  the use of Metro 2 format to ensure understanding of the reporting guidelines  
3                  for each field of the Metro 2 Format as well as the relationship between multiple  
4                  fields.
- 5       f. The CDIA hosts workshops developed and authorized by Equifax, Experian,  
6                  Innovis, and Transunion.
- 7       g. The CDIA developed a credit reporting resource guide for accurately reporting  
8                  credit.
- 9       43. The CDIA's Metro 2 is accepted by all CRAs.
- 10      44. The credit reporting accepted industry standards for reporting metro 2 accurately are  
11                  found in the CDIA's credit reporting resource guide (CRRG).
- 12      45. The CRRG outlines the industry standards for most accurately reporting debts using  
13                  Metro 2.
- 14      46. The CRRG is not readily available to the public. It can be purchased online for  
15                  \$229.45.
- 16      47. Even if a buyer is ready willing and able to pay for the CRRG, the CDIA will NOT  
17                  grant access to the guide unless the buyer represents an organization included in the  
18                  Metro 2 Access Policy.
- 19      48. When FICO calculates credit scores the algorithms use Metro 2 information based on  
20                  industry standards established by the CDIA.
- 21      49. The algorithms used by FICO in determining a consumer's credit score are premised on  
22                  the Metro 2 data received comporting with the CDIA's recommendations for accurate  
23                  credit reporting.
- 24      50. If the Metro 2 data received by FICO deviates from industry standards an inaccurate or  
25                  incorrect FICO Score results. If the resulting FICO Score is lower a consumer will be  
26                  considered a higher credit risk resulting in less favorable lending terms.

27                  **e-OSCAR**

- 28      51. E-OSCAR is the web based Metro 2 compliant system developed by Experian  
Information Solutions, Inc.; Equifax, Inc.; TransUnion, LLC and Innovis that enables  
DFs and CRAs to create and respond to consumer credit disputes.

- 1 52. When a consumer sends a dispute letter to a CRA the CRA then sends an automated  
2 credit dispute verification (ACDV) via e-Oscar to the DF.
- 3 53. The ACDV contains within it Metro 2 codes next to certain data fields associated with a  
4 credit file e.g. "Account Type" "07" (07 in Metro 2 refers to a Charge Account).

5 **Bankruptcy Credit Reporting Industry Standards & Consumer  
6 Information Indicator**

- 7 54. When a consumer files bankruptcy certain credit reporting industry standards exist.
- 8 55. Certain Metro 2 data is regularly expected and calculated by FICO when determining a  
9 consumer's credit worthiness.
- 10 56. The Consumer Information Indicator (CII) is a critical field in the Metro 2 Format that  
11 indicates a special condition that applies to a specific consumer.
- 12 57. Under Metro 2 the CII must be reported only on the consumer to whom the information  
13 applies.
- 14 58. It is the credit reporting industry standard to report a very specific CII upon the filing of  
15 a consumer bankruptcy.
- 16 59. In the consumer bankruptcy context CII Metro 2 Code "A" denotes that a petition for  
17 Chapter 7 has been filed, is active, but no discharge has been entered.
- 18 60. CII Metro 2 Code "D" indicates that a Chapter 13 petition has been filed, is active, but  
19 no discharge entered. This is usually translated on a consumer credit report as "Wage  
20 Earner Plan" or "WEP" in the "Account Status" portion of a trade line. Such reporting  
alerts any potential lender that the account is no longer in a collectable status but is  
being handled by a Chapter 13 trustee.
- 21 61. The CII Metro 2 Code "Z" indicates that a bankruptcy petition has been filed but the  
22 chapter is undesignated/unknown.
- 23 62. The CII Metro 2 Code "E" denotes that a Chapter 7 bankruptcy has been discharged.
- 24 63. The CII Metro 2 Code "H" denotes that a Chapter 13 bankruptcy has been discharged.
- 25 64. The CII field is a critical field for consumers and directly relates to and impacts a  
26 consumer's credit worthiness.
- 27 65. The lack of a CII reported makes it appear that a consumer has not addressed  
28 outstanding debt obligations through the bankruptcy process.

- 1       66. The lack of a CII reported also suggests that creditors are free to collect against a  
2           consumer as an individual or that no stay exists to prevent *in personam* collection  
3           activity.
- 4       67. Failure to report the correct CII indicator will prompt those making credit decisions to  
5           draw a more negative inference regarding a consumer's credit worthiness.
- 6       68. Under the Fair Credit Reporting Act a bankruptcy can be reported for ten years.
- 7       69. The ten-year rule for reporting runs from the date the bankruptcy was *filed*.
- 8       70. A consumer's FICO Score is directly related to the date on which a petition is filed and  
9           acknowledged.
- 10      71. The more time that has passed since the filing of the bankruptcy, the less negative  
11           impact the bankruptcy will have on a consumer's FICO Score.
- 12      72. Failure to reference the bankruptcy filing (CII field) and or the correct petition date  
13           shall result in a lower FICO Score resulting in those making credit decisions to draw a  
14           more negative inference regarding a consumer's credit worthiness.

14           **Plaintiffs Bankruptcy Filing**

- 15      73. Plaintiff filed for Chapter 13 bankruptcy protection on March 20, 2015 in order to  
16           reorganize and repair Plaintiff's credit worthiness and FICO Score.
- 17      74. Defendants Ad Astra Recovery ("Ad Astra"), WebBank, and First Premier ("First  
18           Premier"), were all creditors listed in Plaintiff's chapter 13 filing and received notice of  
19           the filing and other related documents.
- 20      75. Plaintiff's plan was confirmed on May 19, 2015.
- 21      76. The CDIA recognizes the finality of confirmation orders and the aforementioned credit  
22           reporting industry guidelines are specifically setup to harmonize the bankruptcy code  
23           and credit reporting guidelines.
- 24      77. On December 1, 2016 Plaintiff ordered a credit report from Experian Information  
25           Solutions, Inc.; Equifax, Inc. and TransUnion, LLC to ensure proper reporting by  
26           Plaintiff's Creditors.
- 27      78. Plaintiff noticed several different trade lines on the December 1, 2016 credit report all  
28           reporting inaccurate, misleading, or incomplete information that did not comply with  
          credit reporting industry standards.

- 1       79. In response, Plaintiff disputed the inaccurate tradelines via certified mail with Experian
- 2              Information Solutions, Inc.; Equifax, Inc.; and TransUnion, LLC on January 23, 2017.
- 3       80. Plaintiff's dispute letter specifically put Defendants Armed Forces Bank, Ad Astra,
- 4              First Premier, Springleaf Financial Services, and WebBank on notice that Plaintiff had
- 5              filed for bankruptcy and to update the accounts appropriately.
- 6       81. Plaintiff noted that the accounts should be marked disputed if the investigation
- 7              disagrees with Plaintiff's dispute.
- 8       82. Plaintiff is informed and believes that each CRA received Plaintiff's dispute letter and
- 9              in response sent Plaintiff's dispute to each DF via an ACDV through e-OSCAR.
- 10      83. On March 2, 2017 Plaintiff ordered a second credit report from Experian Information
- 11              Solutions, Inc.; Equifax, Inc. and TransUnion, LLC to ensure Plaintiff's accounts had
- 12              been updated.

#### **Inaccuracy – Armed Forces Bank**

- 14       84. Defendant Armed Forces Bank was reporting Plaintiff's accounts, beginning in
- 15              8824XX as 30-days late without any reference whatsoever to Plaintiff's ongoing
- 16              Chapter 13.
- 17       85. Plaintiff's account appears to still be in a collectable stage which is inaccurate and
- 18              misleading as it was included in Plaintiff's confirmed chapter 13 plan..
- 19       86. Defendant Armed Force Bank is not following industry standards and is not listing the
- 20              correct Consumer Information Indicator as the Consumer Information Indicator should
- 21              have been updated to D instead of kept as 30 days late.
- 22       87. If the CII D was reported the status of the account would not be reported as 30 days late
- 23              but instead would be reported as Wage Earner Plan, WEP, or some other reference to
- 24              Chapter 13.
- 25       88. Any lender reviewing Plaintiff's credit report will no doubt view this account as subject
- 26              to potential wage garnishments and or levies.
- 27       89. Plaintiff appears derelict in addressing this outstanding debt which he is not and such
- 28              reporting makes Plaintiff less credit worthy.

1                   **Inaccuracy – Ad Astra**

- 2                   90. Defendant Ad Astra was reporting Plaintiff's accounts, beginning in 288XX as in  
3                   collections without any reference whatsoever to Plaintiff's ongoing Chapter 13.  
4                   91. Plaintiff's account appears to still be in a collectable stage which is inaccurate and  
5                   misleading as it was included in Plaintiff's confirmed chapter 13 plan..  
6                   92. Defendant Ad Astra is not following industry standards and is not listing the correct  
7                   Consumer Information Indicator as the Consumer Information Indicator should have been  
8                   updated to D instead of kept as in collections.  
9                   93. If the CII D was reported the status of the account would not be reported as in collections  
10                  but instead would be reported as Wage Earner Plan, WEP, or some other reference to  
11                  Chapter 13.  
12                  94. Any lender reviewing Plaintiff's credit report will no doubt view this account as subject  
13                  to potential wage garnishments and or levies.  
14                  95. Plaintiff appears derelict in addressing this outstanding debt which he is not and such  
15                  reporting makes Plaintiff less credit worthy.

16                   **Inaccuracy – First Premier Bank**

- 17                  96. Defendant First Premier Bank was reporting Plaintiff's accounts, beginning in 5718XX  
18                  as "Bad debt & placed for collections & skip" as well as charged-off, without any  
19                  reference whatsoever to Plaintiff's ongoing Chapter 13.  
20                  97. Plaintiff's account appears to still be in a collectable stage which is inaccurate and  
21                  misleading as it was included in Plaintiff's confirmed chapter 13 plan..  
22                  98. Defendant First Premier is not following industry standards and is not listing the correct  
23                  Consumer Information Indicator as the Consumer Information Indicator should have been  
24                  updated to D instead of kept as 30 days late.  
25                  99. If the CII D was reported the status of the account would not be reported as charged off  
26                  and "bad debt & placed for collections & skip" but instead would be reported as Wage  
27                  Earner Plan, WEP, or some other reference to Chapter 13.

1       100. Any lender reviewing Plaintiff's credit report will no doubt view this account as subject  
2           to potential wage garnishments and or levies.

3       101. Plaintiff appears derelict in addressing this outstanding debt which he is not and such  
4           reporting makes Plaintiff less credit worthy.

5           **Inaccuracy – Springleaf Financial Services**

6       102. Defendant Springleaf Financial Services was reporting Plaintiff's accounts, beginning  
7           in 11121XX as 120 days late without any reference whatsoever to Plaintiff's ongoing  
8           Chapter 13.

9       103. The reporting also contained inconsistent information regarding the payment history as  
10           Springleaf Financial Services reported that Plaintiff's account was "OK" as of February  
11           2017 but still was reporting that Plaintiff was 120 days late on the account.

12       104. Plaintiff's account appears to still be in a collectable stage which is inaccurate and  
13           misleading as it was included in Plaintiff's confirmed chapter 13 plan..

14       105. Defendant Springleaf Financial Services is not following industry standards and is not  
15           listing the correct Consumer Information Indicator as the Consumer Information  
16           Indicator should have been updated to D instead of kept as 120 days late.

17       106. If the CII D was reported the status of the account would not be reported as 120 days late  
18           but instead would be reported as Wage Earner Plan, WEP, or some other reference to  
19           Chapter 13.

20       107. Any lender reviewing Plaintiff's credit report will no doubt view this account as subject  
21           to potential wage garnishments and or levies.

22       108. Plaintiff appears derelict in addressing this outstanding debt which he is not and such  
23           reporting makes Plaintiff less credit worthy.

24           **Inaccuracy - WebBank**

25       109. Defendant WebBank was reporting Plaintiff's accounts, beginning in 63699XX as  
26           charged off without any reference whatsoever to Plaintiff's ongoing Chapter 13.

27       110. Plaintiff's account appears to still be in a collectable stage which is inaccurate and  
28           misleading as it was included in Plaintiff's confirmed chapter 13 plan..

- 1       111. Defendant WebBank is not following industry standards and is not listing the correct  
2              Consumer Information Indicator as the Consumer Information Indicator should have been  
3              updated to D instead of kept as charged off.  
4       112. If the CII D was reported the status of the account would not be reported as charged off  
5              but instead would be reported as Wage Earner Plan, WEP, or some other reference to  
6              Chapter 13.  
7       113. Any lender reviewing Plaintiff's credit report will no doubt view this account as subject  
8              to potential wage garnishments and or levies.  
9       114. Plaintiff appears derelict in addressing this outstanding debt which he is not and such  
10             reporting makes Plaintiff less credit worthy.

11              **Damages**

- 12       115. Plaintiff pulled the credit report at issue, post dispute process, at a cost of \$39.95,  
13              specifically for the sole purpose of verifying that the inaccuracies were fixed.  
14       116. As a result of the incorrect reporting, Plaintiff has suffered economic loss, emotional  
15              harm, diminished credit and excessive stress resulting in doubt as to the effectiveness of  
16              the Bankruptcy Code and the power of this Court to preserve and perpetuate a fresh start.  
17       117. The actions of the Defendants Experian Information Solutions, Inc., Equifax, Inc.,  
18              TransUnion, LLC, Armed Forces Bank, Ad Astra, First Premier Bank, Springleaf  
19              Financial Services, and WebBank as alleged herein are acts in violation of the Fair  
20              Credit Reporting Act, 15 U.S.C. § 1681s-2(b).  
21       118. The actions of the Defendants Armed Forces Bank, Ad Astra, First Premier Bank,  
22              Springleaf Financial Services, and WebBank as alleged herein are acts in violation of  
23              the Consumer Credit Reporting Agencies Act California Civil Code § 1785.25(a).

24              **FIRST CAUSE OF ACTION**

25              (Violation of Fair Credit Reporting Act 15 U.S.C. § 1681e(b))  
26              Against Defendants and Does 1-100)

27              **Experian Information Solutions, Inc.; Equifax, Inc. and TransUnion, LLC –**  
28              **Failure to Assure Credit Reporting Accuracy.**

- 1 119. Plaintiff realleges and incorporates herein the allegation in each and every paragraph  
2 above as though fully set forth herein.
- 3 120. Experian Information Solutions, Equifax, Inc., and TransUnion LLC violated 15 U.S.C. §  
4 1681e(b) by failing to establish and/or to follow reasonable procedures to assure  
5 maximum possible accuracy in the preparation of Plaintiff's credit reports and credit files  
6 it published and maintained concerning Plaintiff.

7 **Willfulness**

- 8 121. The violations described herein by Experian Information Solutions, Equifax, Inc., and  
9 TransUnion LLC were willful, specifically Experian Information Solutions, Equifax, Inc.,  
10 and TransUnion LLC have intentionally and purposefully set up a system where  
inaccuracies are not only probable but inevitable.
- 11 122. Experian Information Solutions, Equifax, Inc., and TransUnion LLC intentionally sends  
12 consumer disputes to employees who do not live within the continental United States.
- 13 123. This is intentionally done to hide and or subvert a consumer's ability to confront  
14 individual directly responsible for approving accurate reporting.
- 15 124. These employees for Experian Information Solutions, Equifax, Inc., and TransUnion  
16 LLC receive little to know training concerning how to accurately report consumer debt.
- 17 125. Instead these employees are simply instructed to parrot whatever information a data  
furnisher provides regardless of whether or not that information is accurate.
- 18 126. Experian Information Solutions, Equifax, Inc., and TransUnion LLC employees are  
19 regularly expected to review and approve over 90 disputes per day rendering less than  
20 five minutes to review, investigate, and respond to each dispute received.
- 21 127. Experian Information Solutions, Equifax, Inc., and TransUnion LLC have intentionally  
22 setup this system in order to undermine, hide, and otherwise frustrate consumers' ability  
23 to properly dispute and correct credit reports.
- 24 128. Consequently, Defendant Experian Information Solutions, Equifax, Inc., and TransUnion  
25 LLC is liable for punitive damages in an amount to be determines by the Court pursuant  
to 15 U.S.C. § 1681n.
- 26 129. In the alternative, Experian Information Solutions, Equifax, Inc., and TransUnion LLC  
27 was at least negligent, which entitles Plaintiff to recovery under 15 U.S.C. § 1681o.
- 28

- 1 130. As a result of Experian Information Solutions, Equifax, Inc., and TransUnion LLC's  
2 violation of 15 U.S.C. § 1681e(b), Plaintiff suffered actual damages, including but not  
3 limited to: diminished credit, damage to reputation, embarrassment, humiliation, and  
4 other mental and emotional distress.
- 5 131. The violations of Experian Information Solutions, Equifax, Inc., and TransUnion LLC  
6 were willful, rendering it liable for punitive damages in an amount to be determined by  
7 the Court pursuant to 15 U.S.C. § 1681n.
- 8 132. In the alternative, Experian Information Solutions, Equifax, Inc., and TransUnion LLC  
9 was negligent, which entitles Plaintiff to recovery under 15 U.S.C. § 1681o.
- 10 133. Plaintiff is entitled to recover actual damages, statutory damages, costs and attorney's  
11 fees from Experian Information Solutions, Equifax, Inc., and TransUnion LLC in an  
amount to be determined by the Court pursuant to 15 U.S.C. § 1681n and § 1681o.

12 **SECOND CAUSE OF ACTION**

13 (Violation of Fair Credit Reporting Act 15 U.S.C. § 1681s-2(b))  
Against Defendants and Does 1-100)

14 **Armed Forces Bank, Ad Astra, First Premier Bank, Springleaf Financial Services,  
15 and WebBank –Failure to Reinvestigate.**

- 16 134. Plaintiff realleges and incorporates herein the allegation in each and every paragraph  
17 above as though fully set forth herein.
- 18 135. 15 USC 1681s-2(b) and 15 USC 1681i-(a)1 prohibits furnishers from providing any  
19 information relating to a consumer to any consumer reporting agency if the person knows  
20 or has reasonable cause to believe that the information is inaccurate or misleading and  
requires a furnisher to update and or correct inaccurate information after being notified  
21 by a consumer reporting agency of a dispute by a consumer.
- 22 136. Defendants Armed Forces Bank, Ad Astra, First Premier Bank, Springleaf Financial  
23 Services, and WebBank violated section 1681s-2(b) by failing to conduct a reasonable  
24 investigation and re-reporting misleading and inaccurate account information.
- 25 137. The CRAs provided notice to Armed Forces Bank, Ad Astra, First Premier Bank,  
26 Springleaf Financial Services, and WebBank that Plaintiff was disputing the inaccurate  
27 and misleading information but Armed Forces Bank, Ad Astra, First Premier Bank,  
28 Springleaf Financial Services, and WebBank failed to conduct a reasonable investigation  
of the information as required by the FCRA.

- 1       138. Based on Plaintiff's dispute, Armed Forces Bank, Ad Astra, First Premier Bank,  
2           Springleaf Financial Services, and WebBank should have known their accounts were  
3           included in Plaintiff's Chapter 13 plan of reorganization. The most basic investigation  
4           would include a simple review of well-established credit reporting industry standards.
- 5       139. Plaintiff alleges Armed Forces Bank, Ad Astra, First Premier Bank, Springleaf Financial  
6           Services, and WebBank did not review well established industry standards for credit  
7           reporting.
- 8       140. If Armed Forces Bank, Ad Astra, First Premier Bank, Springleaf Financial Services, and  
9           WebBank had reviewed such standards Yolo FCU would have seen their reporting was  
10          not in compliance and consequently inaccurate and or incomplete.
- 11      141. Such an investigation would be unreasonable.
- 12      142. Plaintiff also alleges that Armed Forces Bank, Ad Astra, First Premier Bank, Springleaf  
13           Financial Services, and WebBank did not investigate whether Plaintiff filed for  
14           bankruptcy, whether their accounts were included, the terms of the plan, or whether or  
15           not the terms had been approved.
- 16      143. The lack of investigation is unreasonable.

17           **Willfulness**

- 18      144. Plaintiff further alleges that Armed Forces Bank, Ad Astra, First Premier Bank,  
19           Springleaf Financial Services, and WebBank has not properly trained those directly  
20           investigating disputes on Metro 2 generally or credit reporting industry standards and as  
21           such has developed reckless policies and procedures.
- 22      145. In addition to lack of training the employees are expected not to investigate disputes but  
23           instead simply rubber stamnd the disputed information is in fact accurate.
- 24      146. In the alternative Plaintiff alleges that to the extent changes are ever made such changes  
25           are the result of guesswork rather than an investigation.

26           **Experian Information Solutions, Inc.; Equifax, Inc. and TransUnion, LLC –  
27           Failure to Reinvestigate Disputed Information 15 USC 1681i-(a)1.**

- 28      147. Plaintiff realleges and incorporates herein the allegation in each and every paragraph  
29           above as though fully set forth herein.
- 30      148. After Plaintiff disputed the accounts mentioned above, Experian Information  
31           Solutions, Equifax, Inc., and TransUnion LLC was required to conduct a reasonable

1 investigation and to delete any information that was not accurate under 15 USC  
2 1681i-(a)1.

3 149. Plaintiff alleges that Experian Information Solutions, Equifax, Inc., and TransUnion  
4 LLC has its own independent duty to conduct a reasonable investigation 15 USC  
5 1681i-(a)1.

6 150. Experian Information Solutions, Equifax, Inc., and TransUnion LLC is not a passive  
7 entity bound to report whatever information a DF provides.

8 151. Plaintiff alleges that Experian Information Solutions, Equifax, Inc., and TransUnion  
9 LLC is readily familiar with Metro 2 guidelines and credit reporting industry  
standards.

10 152. Experian Information Solutions, Equifax, Inc., and TransUnion LLC sponsors and  
11 authorize workshops hosted by the CDIA that teach the following to DFs:

- 12 a. Do not report delinquencies post petition pre discharge in the payment history  
13 section regardless of Chapter 7 or Chapter 13. Instead report the Metro 2  
14 indicator D.
- 15 b. In Chapter 13 cases do not report past due balances post confirmation.
- 16 c. In Chapter 13 cases do not report balances that are inconsistent with the terms  
17 of the Chapter 13 plan.
- 18 d. In Chapter 13 cases do not report monthly payments that are inconsistent with  
the terms of the Chapter 13 plan.
- 19 e. The above reporting is the correct and accurate way to report debts included in  
20 consumer bankruptcy filings.

21 153. Given the aforementioned, Plaintiff alleges that TransUnion can and does suppress  
22 inaccurate information from being reported when DFs provide inaccurate  
23 information.

24 154. Experian Information Solutions, Equifax, Inc., and TransUnion LLC can and does  
25 instruct DFs on how to properly report certain accounts from time to time upon  
26 request from the DF.

27 155. Experian Information Solutions, Equifax, Inc., and TransUnion LLC failed to conduct  
28 a reasonable investigation because any basic investigation would have uncovered that  
certain DFs were not following credit reporting industry standards.

- 1 156. Experian Information Solutions, Equifax, Inc., and TransUnion LLC would have  
2 known that Plaintiff filed for Chapter 13 based on multiple other accounts reporting  
3 as much.
- 4 157. Experian Information Solutions, Equifax, Inc., and TransUnion LLC would have  
5 known that Plaintiff's plan had been confirmed based on multiple other accounts  
6 reporting as much.
- 7 158. Experian Information Solutions, Equifax, Inc., and TransUnion LLC would have  
8 known that failure to report a CII given that a Chapter 13 was filed did not comport  
9 with industry standards.
- 10 159. Experian Information Solutions, Equifax, Inc., and TransUnion LLC therefore did not  
11 do the most basic investigation regarding credit reporting industry standards  
otherwise the aforementioned would have been uncovered.

12 **THIRD CAUSE OF ACTION**

13 (Violation of Fair Credit Reporting Act 15 U.S.C. § 1681i(a)(2)(A))  
Against Defendants and Does 1-100)

14 **Experian Information Solutions, Inc.; Equifax, Inc. and TransUnion, LLC –  
15 Failure to send dispute**

- 16 160. Plaintiff realleges and incorporates herein the allegation in each and every paragraph  
17 above as though fully set forth herein and pleads in the alternative
- 18 161. TransUnion violated 15 U.S.C. § 1681i(a)(2)(A) by failing to provide Defendants with all  
19 the relevant information regarding Plaintiff's disputes.
- 20 162. As a result of Experian Information Solutions, Equifax, Inc., and TransUnion LLC's  
21 violation of 15 U.S.C. § 1681i(a)(2)(A), Plaintiff suffered actual damages, including but  
22 not limited to: damage to reputation, diminished credit, embarrassment, humiliation, and  
other mental and emotional distress.
- 23 163. The violations by Experian Information Solutions, Equifax, Inc., and TransUnion LLC  
24 were willful, rendering each of the Defendants individually liable for punitive damages in  
25 an amount to be determined by the Court pursuant to 15 U.S.C. § 1681n.
- 26 164. In the alternative, Experian Information Solutions, Equifax, Inc., and TransUnion LLC  
27 were negligent, which entitles Plaintiff to recovery under 15 U.S.C. § 1681o.

1 165. Plaintiff is entitled to recover actual damages, statutory damages, costs and attorney's  
2 fees from Experian Information Solutions, Equifax, Inc., and TransUnion LLC in an  
3 amount to be determined by the Court pursuant to 15 U.S.C. § 1681n and § 1681o.

4 **FOURTH CAUSE OF ACTION**

5 (Violation of Fair Credit Reporting Act 15 U.S.C. § 1681i(a)(4))  
Against Defendants and Does 1-100)

6 **Experian Information Solutions, Inc.; Equifax, Inc. and TransUnion, LLC –**  
7 **Failure to Review and Consider All Relevant Information.**

- 8 166. Plaintiff realleges and incorporates herein the allegation in each and every paragraph  
9 above as though fully set forth herein.
- 10 167. Experian Information Solutions, Equifax, Inc., and TransUnion LLC violated 15 U.S.C. §  
11 1681i(a)(4) by failing to review and consider all relevant information submitted by  
12 Plaintiff.
- 13 168. As a result of Experian Information Solutions, Equifax, Inc., and TransUnion LLC's  
14 violation of 15 U.S.C. § 1681i(a)(4), Plaintiff suffered actual damages, including but not  
15 limited to: loss of credit worthiness, damage to reputation, embarrassment, humiliation,  
16 and other mental and emotional distress.
- 17 169. The violations by Experian Information Solutions, Equifax, Inc., and TransUnion LLC  
18 were willful, rendering each of the Defendants individually liable for punitive damages in  
19 an amount to be determined by the Court pursuant to 15 U.S.C. § 1681n.
- 20 170. In the alternative, Experian Information Solutions, Equifax, Inc., and TransUnion LLC  
21 was negligent, which entitles Plaintiff to recovery under 15 U.S.C. § 1681o.
- 22 171. Plaintiff is entitled to recover actual damages, statutory damages, costs and attorney's  
23 fees from Experian Information Solutions, Equifax, Inc., and TransUnion LLC in an  
24 amount to be determined by the Court pursuant to 15 U.S.C. § 1681n and § 1681o.

25 **FIFTH CAUSE OF ACTION**

26 (Violation of Fair Credit Reporting Act 15 U.S.C. § 1681i(a)(5)(A))  
Against Defendants and Does 1-100)

27 **Experian Information Solutions, Inc.; Equifax, Inc. and TransUnion, LLC –**  
28 **Failure to Delete Disputed and Inaccurate Information.**

- 29 172. Plaintiff realleges and incorporates herein the allegation in each and every paragraph  
30 above as though fully set forth herein.

- 1 173. Experian Information Solutions, Equifax, Inc., and TransUnion LLC violated 15 U.S.C. §  
2 1681i(a)(5)(A) by failing to promptly delete the dispute inaccurate items of information  
3 from Plaintiff's credit file or modify the item of information upon a lawful  
4 reinvestigation.
- 5 174. As a result of Experian Information Solutions, Equifax, Inc., and TransUnion LLC's  
6 violation of 15 U.S.C. § 1681i(a)(5)(A), Plaintiff suffered actual damages, including but  
7 not limited to: loss of creditworthiness, damage to reputation, embarrassment,  
8 humiliation, and other mental and emotional distress.
- 9 175. The violations by Experian Information Solutions, Equifax, Inc., and TransUnion LLC  
10 were willful, rendering each of the Defendants individually liable for punitive damages in  
11 an amount to be determined by the Court pursuant to 15 U.S.C. § 1681n.
- 12 176. In the alternative, Experian Information Solutions, Equifax, Inc., and TransUnion LLC  
13 were negligent, which entitles Plaintiff to recovery under 15 U.S.C. § 1681o.
- 14 177. Plaintiff is entitled to recover actual damages, statutory damages, costs and attorney's  
15 fees from Experian Information Solutions, Equifax, Inc., and TransUnion LLC in an  
amount to be determined by the Court pursuant to 15 U.S.C. § 1681n and § 1681o.

16 **SIXTH CAUSE OF ACTION**

17 (Violation of California Consumer Credit Reporting Agencies Act  
California Civil Code § 1785.25(a) Against Defendants and Does 1-100)

18 **Armed Forces Bank, Ad Astra, First Premier Bank, Springleaf Financial Services,  
19 and WebBank – Reporting Inaccurate Information to CRAs.**

- 20 178. Plaintiff realleges and incorporates herein the allegation in each and every paragraph  
21 above as though fully set forth herein.
- 22 179. In the regular course of its business operations, Armed Forces Bank, Ad Astra, First  
23 Premier Bank, Springleaf Financial Services, and WebBank routinely furnish  
24 information to credit reporting agencies pertaining to transactions between Defendants  
25 and Defendant's consumers, so as to provide information to a consumer's credit  
worthiness, credit standing and credit capacity.
- 26 180. Armed Forces Bank, Ad Astra, First Premier Bank, Springleaf Financial Services, and  
27 WebBank intentionally and knowingly reported misleading and inaccurate account  
28 information to the CRAs that did not comport with well-established industry standards.

- 1 181. Plaintiff alleges that Armed Forces Bank, Ad Astra, First Premier Bank, Springleaf  
2 Financial Services, and WebBank re-reported the information contained herein in  
3 violation of California Civil Code § 1785.25(a).
- 4 182. Plaintiff also alleges that Armed Forces Bank, Ad Astra, First Premier Bank, Springleaf  
5 Financial Services, and WebBank all had reason to know that the information reported  
6 on Plaintiff's accounts were misleading, inaccurate, incomplete, and did not comply  
7 with well-established credit reporting industry standards.
- 8 183. Plaintiff alleges that Armed Forces Bank, Ad Astra, First Premier Bank, Springleaf  
9 Financial Services, and WebBank all had reason to know that by not comporting with  
10 well-established industry standards lenders will draw a more negative inference with  
respect to Plaintiff's credit worthiness.
- 11 184. Plaintiff alleges that the bankruptcy notices, disputes letters from all three credit  
12 reporting agencies, the consumer data industry resource guide, and results of its  
13 investigation should have provided notice to Armed Forces Bank, Ad Astra, First  
14 Premier Bank, Springleaf Financial Services, and WebBank of their misleading and  
15 inaccurate reporting as well as being noticed of the plan confirmation and proof of  
16 claim forms sent by the U.S. Bankruptcy Court.
- 17 185. Armed Forces Bank, Ad Astra, First Premier Bank, Springleaf Financial Services, and  
18 WebBank's communications of false information, and repeated failures to investigate,  
19 and correct their inaccurate information and erroneous reporting were done knowingly,  
intentionally, and in reckless disregard for their duties and Plaintiff's rights.
- 20 186. As a direct and proximate result of Armed Forces Bank, Ad Astra, First Premier Bank,  
21 Springleaf Financial Services, and WebBank's willful and untrue communications,  
22 Plaintiff has suffered actual damages including but not limited to inability to properly  
23 reorganize under Chapter 13, reviewing credit reports from all three consumer reporting  
24 agencies, time reviewing reports with counsel, sending demand letters, diminished  
25 credit score, and such further expenses in an amount to be determined at trial.  
26 Wherefore, Plaintiff prays for judgment as hereinafter set forth.

27 **PRAYER FOR RELIEF**

28 WHEREFORE, Plaintiff prays for judgment as follows:

1. For preliminary and permanent injunctive relief to stop Defendants from

engaging in the conduct described above;

2. Award statutory and actual damages pursuant to 15 U.S.C. § 1681n and California Civil Code § 1785.31;
  3. Award punitive damages in order to deter further unlawful conduct pursuant to 15 U.S.C. § 1681n; and California Civil Code § 1785.31
  4. Award attorney's fees and costs of suit incurred herein pursuant to 15 U.S.C. § 1681n & o; California Civil Code § 1785.31;
  5. For determination by the Court that Creditor's policies and practices are unlawful and in willful violation of 15 U.S.C. § 1681n, et seq.; and
  6. For determination by the Court that Creditor's policies and practices are unlawful and in negligent violation of 15 U.S.C. § 1681o;

SAGARIA LAW, P.C.

Dated: May 23, 2017

/s/ Elliot Gale, Esq.

Scott Sagaria, Esq.

Elliot Gale, Esq.

Attorneys for Plaintiff

**DEMAND FOR JURY TRIAL**

Plaintiff hereby demands trial of this matter by jury.

SAGARIA LAW, P.C.

Dated: May 23, 2017

/s/ Elliot Gale, Esq.

Scott Sagaria, Esq.

Elliot Gale, Esq.

Attorneys for Plaintiff